



December 5, 2017

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Honorable Board of Supervisors
Marin County Civic Center
San Rafael, CA 94903

Re: 2018 LEGISLATIVE PLAN AND GUIDELINES

Dear Supervisors:

RECOMMENDATION: Approve, with modifications as deemed appropriate by your Board, the proposed:

- 2018 Federal Legislative Plan;
- 2018 State Legislative Plan; and
- 2018 Legislative Policy Guidelines contained in Attachment A

OVERVIEW

We bring to your Board the proposed legislative plan for the 2018 calendar year. As always, your Board retains the opportunity to amend the plan at any time during the year to reflect new or emerging priorities.

This plan, including input from County staff, our federal and state lobbyists, the Transportation Authority of Marin (TAM), Marin Transit District, Sonoma-Marín Area Rail Transit (SMART) and your Board, gives staff the opportunity to react quickly to legislative issues consistent with your Board's priorities and policy guidelines. We will be highlighting our proposed legislative priorities in 2018 consistent with your Board's priorities in the following focus areas:

- Maintaining a **defensive posture at the federal level** given continued threats to reverse course on access to quality and affordable health care; climate change/adaptation to sea level rise; opposing immigration reform that would eliminate a pathway to full and equal citizenship, restrict the rights of immigrants or break up families, or that would focus on a mass deportation of undocumented immigrants; and more recent threats regarding federal tax reform;
- Addressing **issues of equity and income inequality** – including, for example, access to quality and affordable health care, preschool and child care, and ensuring that issues affecting women and girls are considered in any legislative and policy proposals;
- With 2018 being the "**Year of the Older Adult**" in Marin County, supporting federal and state efforts to protect and expand funding for Marin County's increasing older adult population;
- Preserving and expanding **affordable housing** options; and
- Increasing investments in **roads and public infrastructure**, including opposition to any regional or state efforts to tie transportation funding allocations to affordable housing production.

FEDERAL PLATFORM

With the new Trump Administration now nearly one year in office, priorities at the federal level have changed significantly from prior years. Federal threats to several Board priorities remain with continued efforts to repeal or weaken the Affordable Care Act (ACA);

to turn over Medicaid (Medi-Cal in California) to the states or to convert Medicare to a voucher system with less federal funding; to slow or reverse efforts to mitigate Climate Change; and continued federal efforts to restrict immigration. The House recently approved a major tax reform bill (HR 1) that plans to scale back the State and Local Tax (SALT) deduction - eliminating the deduction for income and sales taxes and capping the deduction for property taxes at \$10,000. At the time of publication, the Senate continues to pursue its own tax reform bill that is likely to add repeal of the Affordable Care Act's (ACA) individual mandate, which makes its passage less certain.

With approximately \$40 million of our budget comprised of federal revenues, our proposed federal platform retains a defensive posture. Our continued exposure to federal health care reform is magnified when considering state matching requirements or the pass-through of federal funds through the state. We will work with Health & Human Services and other County departments during the year to assess potential impacts should additional legislative or regulatory efforts be introduced in any policy area. We will also be prepared to return to your Board with any significant policy issues as may be necessary throughout the coming year.

2018 Federal Platform Highlights

In acknowledgement of continued fiscal challenges at the federal level, including a ban on earmarks since 2011, federal funding for local projects remains severely constrained. However, the draft legislative plan continues to indicate our top fiscal priorities in case any opportunities should arise, including the following:

- Supporting **equity and income inequality** by preserving access to affordable health care and safety net funding, including preservation of the Affordable Care Act, Medicaid and Medicare programs, as well as opposing immigration reform efforts that would eliminate a pathway to equal citizenship or that would restrict the rights of immigrants or break up families;
- Preserving efforts and partnerships that would **mitigate the effects of climate change and support adaptation to sea level rise**, including funding for wetland restoration projects, levee reconstruction or similar structural resilience measures, and flood control or watershed protection efforts, as well as supporting efforts to sustain the Paris Climate Accord;
- Preserving **County revenue sources and local authority** by opposing federal tax reform efforts to reduce or eliminate the state and local tax deduction (SALT), or to reduce or eliminate the mortgage interest tax deduction, as offsets to benefit corporations or wealthy individuals or families, or that would harm low to middle income residents;
- Protecting our **environment and natural resources**, including opposition to efforts to limit protections regarding national monument designations, including Muir Woods National Monument - and/or to restrict the Cordell Bank and Gulf of the Farallones National Marine Sanctuaries or open them to oil and gas exploration;
- Consistent with efforts to preserve **affordable housing**, supporting efforts to protect federal Housing and Urban Development (HUD) program funding, including the Community Development Block Grant (CDBG) program, Home Investment Partnerships (HOME) Program, and the Section 8 program; and
- Increasing investments in **roads and other public infrastructure**, supporting Highway 101 multi-modal corridor projects, and support for a stronger and more sustainable federal investment in surface transportation.

STATE PLATFORM

The State's financial position remains relatively strong. In its FY 2018-19 California Fiscal Outlook, the Legislative Analyst's Office (LAO) predicts a positive FY 2018-19 budget

outlook with reserves of \$19.3 billion at fiscal year-end. Forecasts beyond FY 2018-19 are less certain due to unpredictable economic conditions, stock market volatility, and potential federal policy changes. Under a continued economic growth scenario, for example, the LAO projects operating surpluses of \$6 billion per year for the next several years. Under a moderate recession forecast, however, the state has sufficient reserves until FY 2021-22, after which some combination of spending cuts or revenue increases would be required to balance the budget. It is important to note that both scenarios assume no significant policy changes at the state or federal level. Policy changes at the federal level, most notably including tax reform, health care and trade, could have material impacts upon California's economy – likely with significant downside risk.

The Governor is likely to be focused in his last year on maintaining and building his legacy – prioritizing a balanced budget, replenishing budget reserves for the next downturn, and making progress on his two infrastructure initiatives: high speed rail and water conveyance. We anticipate the Governor will remain restrained with respect to any new program spending proposals for FY 2018-19, as has been the case for the past seven years. We will report to your Board in early January after the Governor releases his Proposed Budget for FY 2018-19.

2018 State Platform Highlights

While we are not recommending any Marin County sponsored bills in Sacramento for 2018, we anticipate focus in the following areas consistent with your Board's priorities:

- Addressing issues of **equity and income inequality** by supporting quality and more universal pre-school, expansion of California's transitional kindergarten program, increased day care slots and child care reimbursement rates; preserving access to affordable health care and safety net funding; and efforts to provide high-speed internet to seniors, rural and other underserved communities;
- Enhancing efforts to **mitigate climate change and adapting to sea level rise**, including support for clean/renewable energy and funding for sea level rise planning and adaptation;
- **Emergency preparedness, disaster prevention and response**, including enhanced federal or state funding for fire prevention programs, particularly in light of the 2017 North Bay fires - including increased contributions toward the removal of dead and dying trees that contribute to the proliferation of wildfires;
- Preserving and expanding **affordable housing**, and working with regional stakeholders to help find solutions to homelessness in Marin and the Bay Area; and
- Increasing investments in **roads and public infrastructure**, including preservation of the SB 1 state transportation funding fix, which brings approximately \$4 million per year in new revenue for local streets and roads in the face of otherwise declining state and federal funding for transportation, and opposition to any regional or state efforts to tie transportation funding allocations to affordable housing production.

With your Board's approval, including any amendments, we will work with Assembly Member Marc Levine and State Senator Mike McGuire to ensure they are aware of your Board's priorities and concerns going into 2018. While our plan includes initiatives that may not be achievable in the short-term, as opportunities arise the plan provides policy direction to guide our legislative program in a manner consistent with your Board's long-term vision for the County.

Please feel free to contact us should you have any questions or concerns.

Submitted by:



Daniel Eilerman
Assistant County Administrator

Reviewed by:



Matthew H. Cymel
County Administrator